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By: **Senator Giannetti**

Introduced and read first time: January 31, 2003

Assigned to: Judicial Proceedings

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A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws - Dealer Processing Charges - Standards and Requirements**

3 FOR the purpose of increasing to a certain amount the maximum dealer processing  
4 charge for a vehicle sale; requiring a dealer processing charge to be reasonable  
5 and to reflect certain expenses; expanding the scope of dealer processing charges  
6 to include charges for certain services; requiring a dealer on request to provide a  
7 written disclosure of services included in a dealer processing charge; creating a  
8 certain exception to the requirement that the dealer processing charge be  
9 included in the advertised price of a vehicle; altering a certain definition;  
10 repealing the requirement that a certain disclosure be preprinted on a contract  
11 for sale for a vehicle; and generally relating to dealer processing charges for  
12 vehicles.

13 BY repealing and reenacting, with amendments,  
14 Article - Transportation  
15 Section 15-311.1  
16 Annotated Code of Maryland  
17 (2002 Replacement Volume)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article - Transportation**

21 15-311.1.

22 (a) (1) In this section, "dealer processing charge" includes an amount  
23 charged by a dealer for:

- 24 (i) The preparation of written documentation of the transaction;
- 25 (ii) Obtaining the title and license plates for the vehicle;
- 26 (iii) Obtaining a release of lien;
- 27 (iv) Filing title documents with the Administration; [or]

1 (v) RETAINING DOCUMENTATION AND RECORDS OF THE  
2 TRANSACTION;

3 (VI) COMPLYING WITH FEDERAL OR STATE PRIVACY LAWS; OR

4 (VII) Other administrative services concerning the sale of the vehicle.

5 (2) "Dealer processing charge" does not include a charge to purchase or  
6 install tangible personal property on or in the vehicle, or to perform mechanical  
7 service on the vehicle.

8 (b) (1) If a dealer charges a dealer processing charge, the charge [may not  
9 exceed \$25]:

10 (I) SHALL BE REASONABLE;

11 (II) MAY NOT EXCEED \$100; AND

12 (III) SHALL REFLECT DEALER EXPENSES GENERALLY INCURRED  
13 FOR THE SERVICES IDENTIFIED IN SUBSECTION (A)(1) OF THIS SECTION.

14 (2) A DEALER SHALL PROVIDE A WRITTEN DISCLOSURE OF THE  
15 SERVICES INCLUDED IN THE DEALER PROCESSING CHARGE ON REQUEST BY THE  
16 PURCHASER.

17 (c) Any dealer processing charge shall be disclosed to a purchaser as provided  
18 in this section.

19 (d) A contract for the sale of a vehicle shall contain a statement, in 12 point  
20 type or larger, [preprinted] on the contract form as follows:

21 "Dealer processing charge (not required by law): \$....".

22 (e) If a dealer advertises the price of a vehicle, the amount of the dealer  
23 processing charge shall be included in the advertised price UNLESS THE DEALER  
24 DISCLOSES THE AMOUNT OF THE DEALER PROCESSING CHARGE IN AT LEAST 10  
25 POINT AND BOLD FONT ON THE ADVERTISEMENT.

26 (f) The dealer shall attach its price statement to a window of the vehicle, next  
27 to any other price disclosure required by law. The dealer's price statement shall state  
28 the total price for which the dealer is offering to sell the vehicle. The total price stated  
29 shall include any dealer processing charge, which shall be disclosed above the total  
30 price in at least 10 point type as "dealer processing charge (not required by law):  
31 \$.....". The total price may exclude only the taxes and title fees payable to the State.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 October 1, 2003.